

# City Profile

**Location.** Wichita, the largest city in Kansas, population 320,395<sup>1</sup> is the county seat of Sedgwick County. Major highways, including the Kansas Turnpike and Interstate I-35, link the city with a large trade area that encompasses a population of approximately 1.2 million<sup>2</sup> people within a 100-mile radius. The nearest large cities are Denver to the west, Kansas City to the northeast and Oklahoma City and Tulsa to the south and southeast.

**Historical Background.** Wichita became a town in 1868, was incorporated in 1870 and has been a city of the first class since 1886. The original stimulus to the city's economic development was the extension of the Santa Fe Railway into Wichita in 1872. The city's early growth paralleled the expanding agricultural productivity of the Central Plains States and by 1900 the city was an important regional center for the processing of agricultural products and the distribution of farm equipment. In 1914, the discovery of oil broadened the economic base, drawing to the city numerous services, distributive enterprises and metalworking industries. From the earliest days of the aircraft industry, Wichita has been a leading producer of general aviation and commercial aircraft. McConnell Air Force Base was activated in 1951 and has remained an important factor in the community.

**Government.** In 1918, Wichita became one of the first municipalities in the United States to adopt the Commission-Manager form of government. Effective April 14, 1987, the title "City Commissioner" was changed to "City Council" and instead of being elected at-large, five council members were nominated by district and elected at-large. In November 1988, Wichita voters approved a referendum to elect a five-member City Council by pure district elections and a full-time Mayor by city-at-large elections. On February 10, 1989, Charter Ordinance 115 was adopted and provided for the five council member seats to be increased to six by subdividing the city into six districts based on the 1990 census. The six Council members and the Mayor serve four-year terms with the Council members' terms being overlapping. The City Council and Mayor conduct all legislative functions for the city of Wichita and establish general policies, which are executed by the City Manager.

## Population Characteristics.

1998 Population	
City of Wichita (1996) <sup>1</sup>	320,395
Wichita MSA <sup>2</sup>	544,343
Within 100-mile radius <sup>3</sup>	1,227,524

<sup>1</sup> Source: U.S. Bureau of the Census. The most current estimates available for cities are for 1996.

<sup>2</sup> Source: U.S. Bureau of the Census.

<sup>3</sup> Source: Estimated by the CEDBR, Wichita State University using 1998 county population estimates produced by the U.S. Bureau of the Census

**Growth.** Wichita's population growth has been steady for the past two decades. The majority of recent growth has occurred along the far west/northwest and east/northeast peripheries of the city, and into the unincorporated portions of the county.

Population Trends				
Year	Wichita (000's)	Percent Change	Sdg Co (000's)	Percent Change
1950	192.2	--	222.3	--
1960	244.5	27.2%	343.2	54.4%
1970	276.6	13.1%	350.7	2.2%
1980	279.3	1.0%	367.1	4.7%
1990	304.1	8.9%	403.7	10.0%

Source: U.S. Bureau of the Census

As of March 1999, the city's total land area was 136.7 square miles. The majority of annexation activity over the last several years is in response to property owner requests associated with new developments and water and sewer service requests in the new growth areas.

**Geographic Distribution.** The metropolitan statistical area (MSA) includes Butler, Harvey and Sedgwick counties. Sedgwick County represents the largest portion of the area's population with an estimated 448,050 residents in 1998.

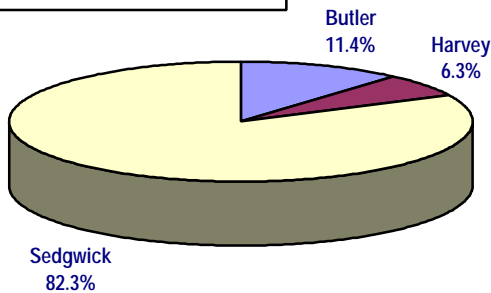
The city's population density has decreased by nearly 50 percent in the past few decades. Today there are approximately 2,344 persons per square mile in Wichita compared to 4,625 per square mile in 1960 when growth within the city limits peaked.

The trend of perimeter growth and the associated increase in demand for local government services are expected to continue for Wichita.

<sup>1</sup> Source: U.S. Department of Commerce, Bureau of the Census. July 1, 1996 population estimate.

<sup>2</sup> Estimated by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

**1996 Population Distribution  
Wichita MSA**



Source: U.S. Bureau of the Census

**Composition.** The racial and ethnic composition of Wichita's population is comparable to that of the nation. Current trends indicate the fastest growth rate to be among Asian/Pacific Islanders and persons of Hispanic origin.

Population by Race/Ethnic Origin 1990 (percent of total)		
Race or Ethnic Origin	Wichita	U.S.
White	80.3	75.6
African American	11.1	11.7
American Indian	1.1	.7
Asian or Pacific Islander	2.5	2.8
Hispanic Origin	5.0	9.0
Other Race	0.1	0.1

Source: 1990 Census of Population and Housing.

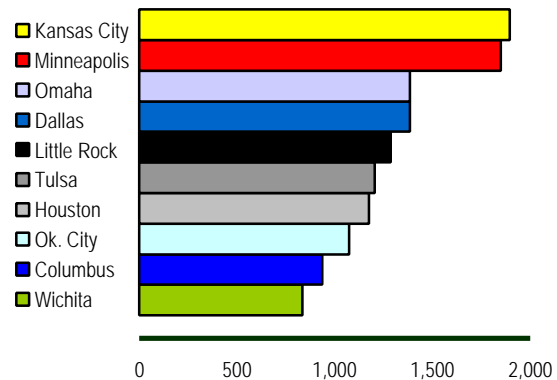
**Public Safety.** National FBI statistics for 1997 show Wichita's violent crime rate to be lower than many cities of comparable size, including Tulsa, Omaha, Little Rock, and Minneapolis. Wichita's violent crime rate in 1997 was 833 (number of offenses per 100,000 population).

Overall, Wichita's crime rate rose a slight 2 percent in 1997 after falling 3.5 percent in 1996 and 11.5 percent in 1995. Efforts by local leaders to address crime and crime perception in the city have included the introduction of community policing, stiffer handgun regulations, enhanced surveillance of gang activities, as well as expansion and support of preventive community programs in target areas.

**Education.** Wichitans place great importance on education. In 1990, 82 percent of Wichita citizens aged 25 years and older had at least a high school diploma, compared to 75 percent in the nation overall.

The city of Wichita is served by eight unified school districts. The Wichita Public Schools (USD 259) is the

**Violent Crime Rates  
Per 100,000 Population\***



\*Includes murder, rape, robbery and aggravated assault. Source: FBI "Crime in the United States." Compiled by the Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

largest in the city. USD 259 experienced steady enrollment declines from the 1991/92 school year through the 1995/96 school year, losing more than 2,500 students. Since that time, enrollment has started to rebound, with an increase of more than 1,700 students over the past 3 years.

In addition to the public school districts, there are approximately 40 private schools serving preschool through high school students, as well as those needing special education. Twelve colleges and universities in the local area serve Wichita, including Wichita State University, University of Kansas-School of Medicine, Friends University, Newman University, and the Wichita Area Technical College.

**Health and Environmental Quality.** Wichita is a first-class regional medical center with five acute-care hospitals, including the two campuses of the Via Christi Regional Medical Center. In addition to these major treatment facilities, Wichita has five freestanding specialty or rehabilitation hospitals and dozens of outpatient clinics. Wichita is also home to the Center for Improvement of Human Functioning, an international bio-medical research and educational organization specializing in nutritional medicine and preventive care.

**Transportation.** Wichita Mid-Continent Airport, the largest in Kansas, is a combination commercial air carrier and general aviation complex, providing accommodations for all aircraft. Passenger service and associated air cargo business is available through 11 airlines including America West, American, American Eagle, Atlantic

Southeast, Comair, Continental Express, Northwest, TWA, United, United Express, and US Airways Express.

Wichita Mid-Continent Airport Activity in Freight Shipments (pounds)		
Year	Inbound	Outbound
1991	19,932,000	20,184,000
1992	27,706,000	27,892,000
1993	29,028,000	26,148,000
1994	31,288,000	27,584,000
1995	31,068,000	26,422,000
1996	42,662,000	37,240,000
1997	39,148,000	38,324,000
1998	37,040,000	36,252,000

Source: Wichita Airport Authority. Compiled by Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

Wichita Mid-Continent Airport Activity Air Passengers		
Year	Inbound	Outbound
1991	586,480	590,556
1992	642,125	640,450
1993	637,394	637,985
1994	581,494	584,624
1995	647,148	647,242
1996	712,641	714,591
1997	710,017	704,317
1998	666,442	666,506

Source: Wichita Airport Authority. Compiled by Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

Air passengers at Mid-Continent numbered 1.3 million in 1998 (inbound and outbound). Airfreight shipments totaled 73.3 million pounds in 1998 (inbound and outbound).

**Culture and Leisure.** Recreational opportunities abound in Wichita. The city's compact size allows minimal travel time (average 30 minutes) to outlying areas with open prairie and lakes. Inside the city there are more than 84 municipal parks, covering 3,800 acres.<sup>3</sup> At least 160,000 trees are planted in Wichita's public grounds.

Cultural activities include art, natural and historical museums, theater, the Mid-American All-Indian Center, the Wichita Symphony, the Metropolitan Ballet, an observatory, a botanical garden, and a natural setting zoo. The \$62 million Exploration Place, a science center and museum, will open soon in downtown Wichita.

<sup>3</sup> Source: City of Wichita Park and Recreation Administration.

Special ethnic, sports, and holiday events take place year-round, culminating in the area-wide ten-day River Festival in May. Beginning as a city-financed centennial celebration in 1970, the River Festival has grown to draw over a million people each year. In 1996, it was named one of the top 100 tourist attractions in North America. The total economic impact in 1995 was estimated to be \$17.5 million.<sup>4</sup>

Major professional indoor soccer and minor league baseball and hockey are examples of other major attractions in the Wichita area, as well as Joyland amusement park. A recently constructed city-owned twin-sheet ice skating arena is now available for additional sporting events.

Century II is the convention headquarters downtown, while the Kansas Coliseum, just north of the city, hosts large events and national acts. The recently opened, \$30 million Hyatt Regency hotel in downtown Wichita has added to the large selection of hotels in the city. Wichita is the leading convention and tourism center in Kansas.

**Economic Development.** Wichita offers an excellent business environment, with incentives that include property tax abatements (up to 10 years-100%), industrial revenue bonds (IRBs), Enterprise Zones, job training funds and venture capital.

Under the state constitution, Kansas is a right to work state; no labor unions may attempt to collect "service fees" from workers who choose not to join the union. Only 8.4 percent of the Wichita MSA's private workforce is unionized compared to 11.2 percent of the national private sector. Outside the aircraft plants only 4 percent of the Wichita MSA's private workforce is unionized.<sup>5</sup>

Downtown revitalization is gaining importance and momentum in Wichita. The vitality of the city's core is essential, not only to economic and tax base stability, but to quality of life for its residents. Among the riverfront and core-area public and private development projects under construction or completed since 1994 are:

- Multimedia Security Headquarters
- Wichita Boat House
- Old Town Redevelopment
- State Office Building
- Wichita Ice Sports Center
- Exploration Place, a Science Center/Children's Museum Complex

<sup>4</sup> Source: Wichita Festival Inc.

<sup>5</sup> Source: Wichita Area Chamber of Commerce. Estimates are for year-end 1994.

- Hyatt Convention Center Hotel
- East Bank Water Walk
- Maple Lewis Street Bridge Replacement
- McLean Boulevard Realignment

**Cost of Living.** Even with all of these amenities, Wichita still maintains a moderate cost-of-living rate of 95.1 about 4.9 percent below the average of 323 urban areas in the United States.<sup>6</sup> As of second quarter 1998, the median single-family home sales price in the Wichita MSA ranked 22<sup>nd</sup> lowest out of 131 reporting MSAs in a survey conducted by the National Association of Realtors. As of second quarter 1998, the median sale price of a newly built single-family home in the Wichita metro area was \$125,000, substantially below the national median price of \$147,600.<sup>7</sup>

### Economic Characteristics\*\*

**Employment.** Wichita's employment includes a broad mix of business types, with a strong base of relatively high paying manufacturing jobs. A list of Wichita's major employers includes the Boeing Co., Raytheon Aircraft Co., Cessna Aircraft Co., Coleman Co. Inc., NationsBank, Bombardier Aerospace Learjet, Via Christi Regional Medical Center, Wesley Medical Center, Koch Industries and Southwestern Bell Telephone. However, any listing of the area's largest private employers cannot reveal the large numbers of small and mid-sized companies providing a wide variety of goods and services to markets around the globe. The 1996 *County Business Patterns* shows approximately 11,206 business establishments in Sedgwick County with fewer than 100 employees.

Total wage and salary employment in the Wichita MSA grew by 3.9 percent during 1998, led by growth in the manufacturing sector which added 4,400 jobs.

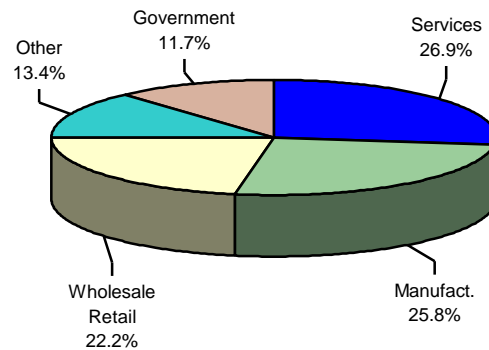
In 1998, 27 percent of all jobs in the Wichita MSA were in service industries and 26 percent of all jobs were in manufacturing industries. Services accounted for 76,800 jobs, while manufacturing contributed 73,900 of the 286,000 total jobs.

Wichita's unemployment rate averaged 3.3 percent for the year, well below the U.S. average of 4.5 percent. Wichita's unemployment rate has been lower than the national average since 1995. Total employment grew 3.9 percent in 1998 in the Wichita MSA.

<sup>6</sup> Source: American Chamber of Commerce Researchers Association's Cost of Living Index, 2<sup>nd</sup> Quarter 1998.

<sup>7</sup> Source: Wichita Area Association of Realtors-Multiple Listing Service and the National Association of Realtors.

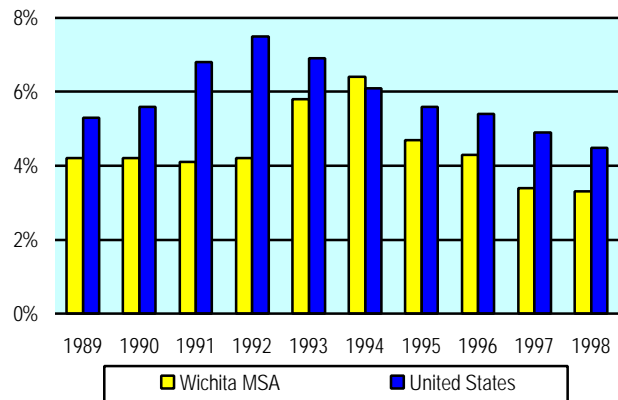
**1998 Wage & Salary Employment  
Wichita MSA**



Source: KS Dept of Human Resources

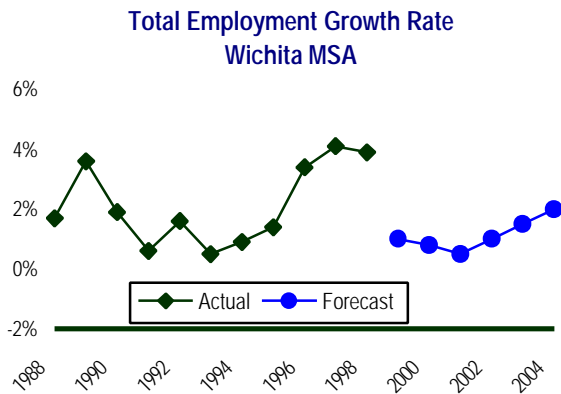
Total employment is expected to continue to grow at an average annual rate of 1.1 percent between 1999 and 2004.

**Unemployment Rate  
U.S. Versus Wichita MSA**



The forecast for total employment is based on the following assumptions:

- U.S. Gross National Product average annual growth rate of 2 percent during the next 5 years,
- continued modest inflation rates of around 1.5 percent,
- increased consolidations among small and mid-sized manufacturers
- no further devaluation of currencies among major trading partners and
- a modest slowdown in aircraft orders.



Source: KS Dept of Human Resources. Compilation and forecast by Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

Manufacturing employment in Wichita experienced its third year of rapid growth in 1998. Total manufacturing employment, led primarily by the aircraft industry, grew 6.3 percent in 1998. Manufacturing employment is expected to decline by 1.5 percent in 1999 and continues to decline through 2001 and then begins to recover with modest growth forecasted for 2003 and 2004. Averaged over the entire 5-year period, manufacturing employment is forecasted to have an average annual decline of 0.3 percent.

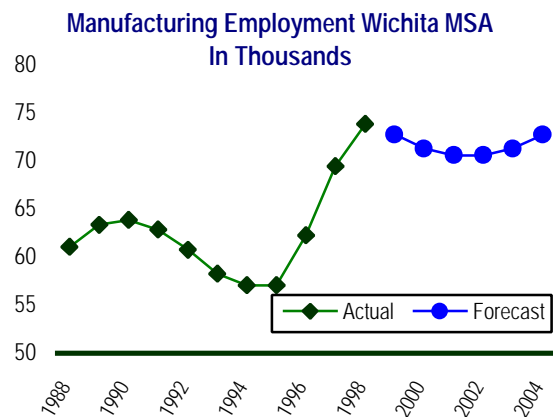
Production of both commercial aircraft and general aviation products in Wichita continued to accelerate in 1998. A strong national economy, introductions of new product, successful marketing and major federal defense contracts have supported demand for general aviation aircraft. The Asian currency crises dampened demand for commercial aircraft in 1998 causing Boeing to **announce employment reductions in Wichita**. Wichita's general aviation manufacturers, which now combine to employ as many people as Boeing, had their third record setting year. In 1998, the three Wichita general aviation manufacturers had shipments totaling 1,528 aircraft, with billings of more than \$3.5 billion, up 22.8 percent from 1997. Today, Wichita's manufacturers account for 60 percent of all U.S. general aviation shipments.

Wichita continues to diversify its manufacturing employment base into a wide variety of high value-added jobs. Chance Industries is an example of a producer meeting worldwide demand for buses, trolleys and amusement rides. Other Wichita manufacturers include a large number of small to mid-sized highly technical and flexible firms in such industries as medical equipment, automobiles, heating and air conditioning and computers.

Koch Industries Inc., the nation's second largest privately held company, has its worldwide headquarters in Wichita.

Koch is one of the fastest growing companies in the state. While employment at Koch was reduced in 1998, primarily as a result of record low oil prices, it remains one of Wichita's premier employers.

Although Wichita has a strong competitive advantage in the production of aircraft, the overall economy has a healthy diversity. In 1997, the Center for Economic Development and Business Research conducted a study that confirmed this diversity.<sup>8</sup> When compared to 46 relevant metropolitan areas across the nation, Wichita ranked 10<sup>th</sup> in terms of diversification. The volatility of the Wichita economy proved to be lower than the majority of the study cities by each economic indicator measured.



Source: Ks. Dept. of Human Resources. Compilation and forecast by Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

Wichita continues to attract a large number of national retail chains. While growth along Rock Road continues at a rapid pace, in 1998 retail development in the west central and northwest sectors of Wichita continued at a rapid pace.

Service employment is expected to be a major contributor to job growth in the future. This is due primarily to the regional nature of Wichita's health care industry and other new start-up companies. Wichita's long-term challenge, as is true for many cities, is the attraction of workers with the right skills for the jobs available within the community.

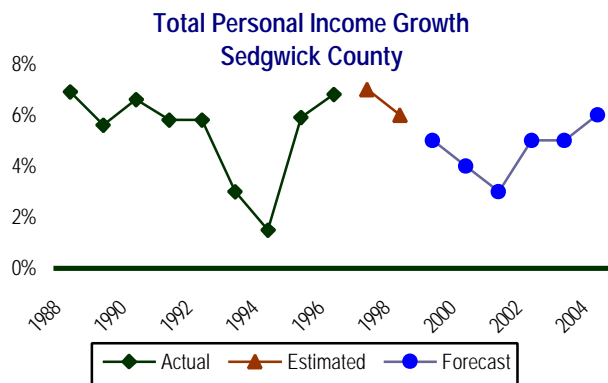
**Personal Income.** Total personal income for Sedgwick County had an average annual growth rate of 5.2 percent for the decade ending in 1996 (the latest year for which

<sup>8</sup> "Industrial Structure and Economic Volatility of Selected Metropolitan Areas", Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University, May, 1997, funded by the City of Wichita, Dept. of Finance and Sedgwick County, Bureau of Finance.



data are available as of this printing). For 1998 through 2004, total personal income is expected to grow at an average annual rate of 4.7 percent. If inflation remains in the range of 1.5 percent, real growth of personal income would average 3.2 percent for the period 1998-2004.

International competition will continue to prevent Wichita employers from raising wages. Additionally, we expect consolidation among small to mid-sized companies to lower manufacturing employment, the industry in which many of the higher paying jobs exist in Wichita. We are measuring personal income growth for Sedgwick County



Source: U.S. Dept. of Commerce, BEA. Compilation and forecast by Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

only. Personal income is attributed to the county in which a person lives, regardless of where he or she may work. As surrounding counties continue to successfully develop their own infrastructure and residential neighborhoods, they will attract a greater share of the MSA's total income. However, Sedgwick County will retain the lion's share of jobs and workforce in the region.

Personal income is affected by a number of factors, including social security, farm income, rental income, stocks, interest, and employee earnings. The largest share by far is the earnings of employees.

Downturns in manufacturing employment have historically been offset by more rapid growth in other sectors. This pattern could be expected to continue, blunting the impact of any unexpected downturn in manufacturing. Receipts of unemployment insurance also moderate personal income during periods when workers may be temporarily displaced.

**Retail Sales.** Based on Kansas Department of Revenue state sales tax receipts, Sedgwick County produced nearly \$5 billion in taxable retail sales in 1998. This reflects a growth rate of 2.3 percent between 1997 and 1998. This growth rate is lower than one would expect

based on employment growth for the period. This slower growth rate can be attributed to several factors. Effective July 1, 1998, the sales tax on residential remodeling was eliminated.

While local sales tax receipts grew at a brisk 10.4 percent rate between 1997 and 1998, much of this growth was due to the growth in residential utility sales, which are not subject to the state's sales tax. Residential utilities include the rapidly growing cable television and telecommunications industries. Retail sales are projected to grow at an average annual rate of 4.7 percent during 1999-2004. This forecast is based on the forecast of employment and personal income above and the assumption that Wichita will continue to attract growing numbers of new, well-managed retail establishments.

Sedgwick County Retail Sales			
Year	State Sales Tax Collections	Taxable Retail Sales (Billions)	Annual Growth Rate
1995	\$206,938,405	\$4.097	3.1%
1996	\$221,171,201	\$4.223	6.9%
1997	\$236,931,401	\$4.514	7.1%
1998	\$242,479,909	\$4.835	2.3%
1999	\$254,969,807	\$4.949	5.2%
2000	\$265,168,599	\$5.203	4.0%
2001	\$273,123,657	\$5.412	3.0%
2002	\$286,779,840	\$5.574	5.0%
2003	\$301,118,832	\$5.853	5.0%

Source: Ks. Dept. Of Revenue. Compilation and forecast by Center for Economic Development and Business Research, W. Frank Barton School of Business, Wichita State University.

**\*\*Note:** This report on *Economic Characteristics* was prepared by the Center for Economic Development and Business Research (CEDBR) at the request of the Department of Finance specifically for inclusion and use in the 1999-2004 Financial Plan in late March, 1999. For updated information refer to the CEDBR site (<http://www.twsu.edu/~cedbrwww>) on the World Wide Web.